

Quarterly Report 04/2020

Dear ladies & gentlemen, dear customers

This year has not been shy of market-moving events, and recent weeks continued to deliver. On the back of the US election and encouraging vaccine news, equity markets rallied, taking the US market near early September highs. President elect Joe Biden is likely to face a divided Congress, but investors welcomed the result, as it should prevent marked increases in corporate taxes. In one of our special topic articles, we explain the US status quo and our expectations going forward.

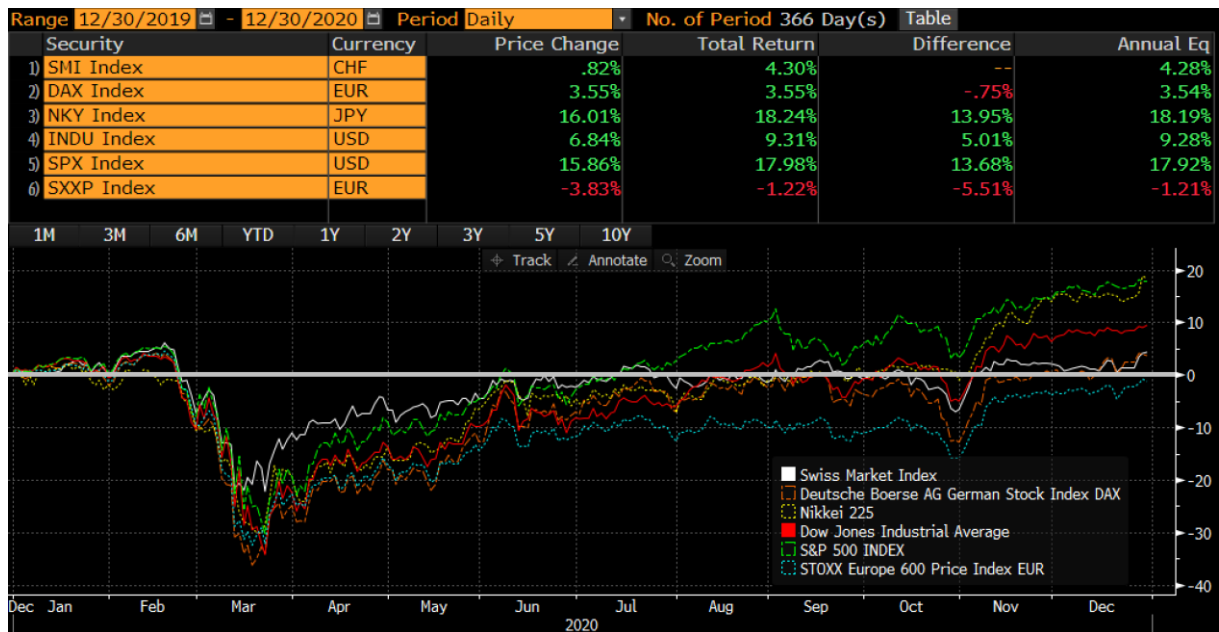
Meanwhile, the COVID-19 pandemic continues to plague Europe and the USA, with renewed restrictions likely to hamper growth in Q4. In contrast, emerging markets and particularly Asia are in much better shape: Growth is robust, earnings are improving and a weaker USD should be supportive going forward. We still believe that equities overall offer an attractive medium-term return outlook.

Name	Index level 31.12.2019	Index level 31.12.2020	Performance 2020 YTD
SMI	10585	10703	+ 1.11 %
STOXX600	415	401	- 3.37 %
DAX	13233	13718	+ 3.36 %
DOW	28638	30606	+ 6.87 %
S&P 500	3244	3727	+ 14.88 %
NIKKEI 225	23319	27477	+ 17.68 %

Referenz-Obligationen	Yield	Forex	Course
Schweiz (10J)	-0.53 %	USD / CHF	0.8825
USA (10J)	0.91 %	EUR / CHF	1.0805
USA (30J)	1.64 %	GBP / CHF	1.2083
Deutschland (10J)	-0.57 %	JPY / CHF	0.8667

Rohstoffe	Course		
Gold (USD/oz)	1'898.80	Gold (CHF/ kg)	53'928
Silver (USD/oz)	26.23	Silver (CHF/kg)	752.10
RohöIWTI (USD/Fass)	51.42	CRB - Index	195.01

Indices SMI - DAX - Nikkei 225, Dow Jones, S&P 500 und STOXX 600



Quelle Bloomberg

«Outlook 2021»

Money and fiscal policy stimulus determine the 2021 stock market year

The economic and stock market development in 2021 should be largely dominated by the ongoing monetary stimulus. Since the Federal Reserve and the European Central Bank once again massively stepped up their quantitative easing efforts in the second half of 2020, corresponding positive stock market and economic developments can be expected in 2021. With regard to monetary time lag effects, we should therefore be able to observe favorable stock market developments in the first half of 2021. The stock market development in the second half of the year will depend to a large extent on whether the US central bank sticks to its stimulus policy or a surprisingly good US economic development and rising US inflation allow the central bank to backtrack.

The time lag effect of monetary measures on the stock exchange is around six months, so that it is difficult to make any further stock market forecasts.

Much will also depend on the extent to which the fiscal stimulus promised by the US government can actually be implemented. The composition of the US Senate is important for this. Since it will not be decided until January 2021 who controls the

majority here, precise forecasts are not yet possible in terms of fiscal policy either. A Senate controlled by the Republican side is likely to severely slash the billions in fiscal stimulus that have been proposed. A Democratic Senate would likely pay 2-5 trillion. Stimulate the US dollar. It should not be underestimated that with such drastic stimuli the dangers of inflation can grow again.

Global economic outlook is favorable - especially in Europe

The economic outlook should therefore be very favorable not only for the USA and Asia, but also or even especially in Europe for 2021 - always on the condition that the pandemic problems either decline as the virus load subsides or as a result of vaccination successes. As the economy improves, corporate profits in Europe should also be able to catch up on the fiscal policy-related arrears they have had in the US and Asia over the past ten years. The only country that had evaded a Maastricht-compliant fiscal policy in recent years was France.

After Japan, France has the world's highest total debt if you add the state, private households and, above all, companies - there the highest debt in the world. In absolute terms, too, the French national debt in Europe is larger than in Germany or Italy. With a common currency, it makes sense to borrow as much as possible in the national interest to stimulate the economy. Any negative consequences would have to be borne by the community - and not by the debtor alone. France could therefore do particularly well economically and on the stock market in 2021 in terms of sustained maximum indebtedness and the reforms implemented by Emmanuel Macron à la Gerhard Schröder in Europe.

In focus: gold and bonds in a recession - stocks in an economic recovery

Along with long-term government bonds, gold was the favorite investment of 2020 for a long time. It was only when interest rates, especially for cross-country bonds, rose towards the end of the year and the real interest rate rose again that gold investments came under pressure. In addition, from a technical market point of view, American hedge funds in particular were very one-sidedly overinvested in gold, while traditional buyers from China and India failed to materialize in 2020. Gold and government bonds are optimal in a severe recession. With better economic development - which can be assumed for 2021 - the stock market should develop positively across the board, at least in the first half of the year.

We would be happy to inform you about our products and their performance in 2020.

H.A.M. Global Convertible Bond Fund

The aim of the fund is to achieve long-term capital gains. The fund is actively managed and is not based on any benchmarks.

<u>Tranche</u>	<u>ISIN</u>	<u>NAV</u>	<u>YTD in %</u>
-CHF- A	LI0045967341	1'944.53	15.93 %
-EUR- A	LI0010404585	2'396.01	16.24 %
-USD- A	LI0028897788	1'789.55	18.01 %
-GBP- A	LI0364737259	1'255.07	16.85 %

HVP Global Opportunities Fund

The main aim of the fund is to achieve increased capital growth. The fund is actively managed and is not based on any benchmarks. At least 51% is invested directly in equities and equity securities (shares, shares with warrants, etc.) of companies worldwide. The remaining part of his assets is invested worldwide in fixed- or variable-interest debt securities and debt claims from private, mixed-economic and public-law debtors (bonds, annuities, notes, zero bonds, floating rate notes, convertible and option bonds, bonds, etc.) invested.

<u>Tranche</u>	<u>ISIN</u>	<u>NAV</u>	<u>YTD in %</u>
-CHF- A	LI0105946334	151.94	25.15 %
-EUR- A	LI0105946391	221.68	25.38 %

Please do not hesitate to contact us at any time if you have any further questions about our products. We wish you all the best in this extraordinary time. Stay healthy and well.

Your HighValue Team